

1638

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB 09/11/17-2629

ELECTIONS, UNIT: VC-539896

(hereinafter "Subject Drilling Unit").

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on December 29, 2009, and recorded in Instrument # 090003956 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on December 30, 2009, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed EQT Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
 - (b) The designated operator filed its affidavit of mailing dated January 25, 2010, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the

Designated Operator has filed its affidavit dated July 29, 2010, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
 - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN, 37660 (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
- 3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN, 37660 (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
 - 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
 - 5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
 - 6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 14 day of July, 2011, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 14th day of July, 2011, by Order of the Board.

Rick Cooper
Rick Cooper
(Acting) Principal Executive to the Staff, Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 14th day of July, 2011, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane Davis
Diane Davis, Notary Public
174394

My commission expires: September 30, 2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of EQT Production Company, for Forced Pooling of Interests in Unit Number VC-539896 VGOB Docket No. VGOB-09/11/17-2629 in the Hurricane Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on December 29, 2009, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on December 30, 2009.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow as either unknown claimants or conflicting claimants under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

See Exhibit E

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.


See Exhibit EE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

See Exhibit B-3

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

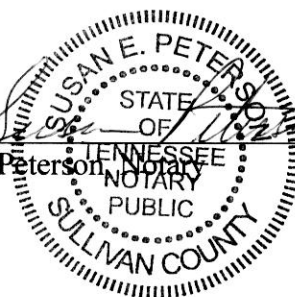
Dated at Kingsport, Tennessee, this 29th day of July, 2010.



Affiant

State of Tennessee)
County of Sullivan)

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of EQT Production Company, a corporation, on behalf of the corporation, this 29th day of July, 2010.



Susan Peterson, Notary

My commission expires: October 24, 2012.

VC-539896
TRACT OWNERSHIP INFORMATION SCHEDULE
10/9/2009

- | | |
|--|--|
| <p>1. Lease No. 906889 / TC-224
John H. Duty
321.00 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Lease No. 909220
MGM Methane Corporation - oil & gas (CBM)
37 Acres
Gas 30.62 Ac. 52.10%</p> <p>2. Lease No. 906889 / T-612
J. M. Stallard
330 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil, gas & CBM
Gas 8.80 Ac. 14.97%</p> <p>3. Lease No. 906889 / TC-223
John H. Duty
163 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Unleased
Albert T. Rasnake, Jr, et al - oil & gas (CBM)
79.602 Acres
Gas 0.10 Ac. 0.17%</p> <p>4. Lease No. 906889 / TC-223
John H. Duty
163 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Lease No.
Anthony Gilbert - oil & gas (CBM)
6 Acres
Gas 2.18 Ac. 3.71%</p> | <p>5. Lease No. 906889 / TC-223
John H. Duty
163 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Partially Leased
R. W. Gilbert Heirs, et al - oil & gas (CBM)
65 Acres
Gas 9.75 Ac. 16.59%</p> <p>6. Lease No. 909332
MGM Methane Corporation - coal, oil, gas & CBM
P/O 5 Acres
Gas 3.72 Ac. 6.32%</p> <p>7. Lease No. 906889 / TC-224
John H. Duty
321.00 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Lease No. 909219
MGM Methane Corporation - oil & gas (CBM)
28 Acres
Gas 2.56 Ac. 4.36%</p> <p>8. Lease No. 906889 / TC-224
John H. Duty
321.00 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Lease No. 907162
Michael Carson Price - oil & gas (CBM)
70.72 Acres (p/o 107 Acres)
Gas 1.04 Ac. 1.78%</p> |
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EXHIBIT "B-3"**VC-539896****Revised 11/9/09**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
3	Curtis S. Rasnake and Donna Rasnake (h/w) 960 Cumberland Drive Greenville, TN 37745	Unleased	0.0323810%	0.0190
	Nancy Williams c/o Curtis Rasnake 960 Cumberland Drive Greenville, TN 37745	Unleased	0.0242857%	0.0143
	James Rasnake 909 Brushy Valley Road Heiskell, TN 37754	Unleased	0.0242857%	0.0143
5	Arlene Deel 2184 Greenbriar Road Haysi, VA 24256	Unleased	6.0566667%	3.5595
	Beth Eversman and David A. Eversman (w/h) P.O. Box 8682 Columbus, GA 31908	Unleased	0.2106667%	0.1238
	LeRoy Trivett Unknown/Unlocatable	Unleased	1.0533333%	0.6190
	James Trivett Unknown/Unlocatable	Unleased	1.0533333%	0.6190
TOTAL GAS ESTATE			8.45495238%	4.9690

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EXHIBIT "E"**VC-599896**

Revised 11/9/09

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
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Gas Estate Only**3 Albert Tivis Rasnake Jr., et al**

Albert Tivis Rasnake Jr. 1561 Hollow Poplar Road Davenport, VA 24239	Leased 902913	0.0323810%	0.0190
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Curtis S. Rasnake and Donna Rasnake (h/w) 960 Cumberland Drive Greenville, TN 37745	Unleased	0.0323810%	0.0190
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Kathy R. Williams and Joseph B. Williams (w/h) 103 Lake Road Madisonville, TN 37354	Leased 902913	0.0242857%	0.0143
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Nancy Williams c/o Curtis Rasnake 960 Cumberland Drive Greenville, TN 37745	Unleased	0.0242857%	0.0143
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Roger Von Deel 1756 Rakes Ridge Road Birchleaf, VA 24220	Leased 902913	0.0323810%	0.0190
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James Rasnake 909 Brushy Valley Road Heiskell, TN 37754	Unleased	0.0242857%	0.0143
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4 Anthony Gilbert P.O. Box 243 Davenport, VA 24239	Leased	3.7100000%	2.1800
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5 R.W. & Mary Gilbert Heirs, et al.

Imogene Boyd P.O. Box 2366 Lebanon, VA 24266	Leased 910915	0.4213333%	0.2476
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Donnie C and Shelia Turner h/w 6124 Windsor Dr. Columbus, GA 31908	Leased 910915	0.2106667%	0.1238
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Kathleen Boyd Caskey 2216 Rustic Road Dayton, OH 45405	Leased 910915	0.4213333%	0.2476
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EXHIBIT "E"**VC-599896**

Revised 11/9/09

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Arlene Deel 2184 Greenbriar Road Haysi, VA 24256	Unleased	6.0566667%	3.5595
	Arthur F. Boyd 1523 Indian Grave Gap Road Vansant, VA 24656	Leased 910915	0.4213333%	0.2476
	Amanda Brooke Robinette c/o Ginger Robinette 2480 Horton Ridge Road Swords Creek, VA 24649	Leased 910915	0.4213333%	0.2476
	Beth Eversman and David A. Eversman (w/h) P.O. Box 8682 Columbus, GA 31908	Unleased	0.2106667%	0.1238
	Otis Shey Gilbert and Edna Gilbert (h/w) 1824 Hollow Poplar Road Davenport, VA 24239	Leased 910915	6.3200000%	3.7143
	LeRoy Trivett Unknown/Unlocatable	Unleased	1.0533333%	0.6190
	James Trivett Unknown/Unlocatable	Unleased	1.0533333%	0.6190
8	Michael Carson Price P.O. Box 27 Davenport, VA 24239	Leased 907162	1.7800000%	1.0400
Total Gas Estate			22.2500000%	13.0700

EXHIBIT "E"**VC-599896**

Revised 11/9/09

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>COAL ESTATE ONLY</u>				
3	Range Resources-Pine Mountain, Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-223	0.1700000%	0.1000
4	Range Resources-Pine Mountain, Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-223	3.7100000%	2.1800
5	Range Resources-Pine Mountain, Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-223	16.5900000%	9.7500
8	Range Resources-Pine Mountain, Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-224	1.7800000%	1.0400
Total Coal Estate			22.2500000%	13.0700

EXHIBIT "EE"**VC-539896**

Revised 11/9/09

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
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Gas Estate Only

1	MGM Methane Corp. ATTN: James Rasnake P.O. Box 830 Grundy, VA 24614	Leased 909220	39.0750000%	22.9650
7	MGM Methane Corp. ATTN: James Rasnake P.O. Box 830 Grundy, VA 24614	Leased 909219	3.2700000%	1.9200
Total			42.345000%	24.885000

Coal Estate Only

1	Range Resources-Pine Mountain, Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-224	13.0250000%	7.6550
7	Range Resources-Pine Mountain, Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-224	1.0900000%	0.6400
Total			14.11500000%	8.2950
Total after 75/25 Royalty Split			56.46000000%	33.1800

INSTRUMENT #110001765
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JULY 27, 2011 AT 01:34PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB

Hagy, Sharon (DMME)

From: VITASHARE System [vitashare@vita.virginia.gov]
Sent: Friday, August 05, 2011 9:57 AM
To: Hagy, Sharon (DMME)
Subject: New Transaction 782GAZXNH33V6SJ5

Transaction details for Sharon Hagy(user shagy_1) _____

Job Id: 782GAZXNH33V6SJ5

Date: Fri, Aug 5, at 09:56

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email example- user1@virginia.gov, user2@virginia.gov:

ATolman@eqt.com, gloria.clark@dmme.virginia.gov, KShannon@eqt.com, sep@wilhoitandkaiser.co

m

Message - Describe file attachment: Please see the attached recorded orders for the following dockets: 2373 - Supplemental 2629 - Supplemental 2881 - Pooling 2883 - Pooling 2888 - Pooling Thank you, Sharon Hagy sharon.hagy@dmme.virginia.gov 276/415-9700

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Total Estimated File Size: 1572 KB

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